

House backs bill to speed oil pipeline from Canada

By MATTHEW DALY

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WASHINGTON — Sensing a political opening, House Republicans on Tuesday approved a plan that links speedy approval of an oil pipeline from Canada to a measure renewing a payroll tax cut.

The vote sets up a showdown with President Barack Obama, who has threatened to veto the bill. The White House says the bill "plays politics" with what should be its main goal: cutting taxes for the middle class.

Republicans said the proposed Keystone XL pipeline from Canada to Texas would help the president achieve his top priority — creating jobs — without costing a dime of taxpayer money. Obama's opposition shows he does not mean what he says when he calls jobs his top priority, GOP lawmakers said.

"The American people want jobs," said House Speaker John Boehner, R-Ohio. "This is as close to a shovel-ready project as you're ever going to see. This is exactly the description of the kind of jobs plans that the president says he wants to enact."

The House approved the bill, 234-193, Tuesday night. Ten Democrats joined 224 Republicans in backing the bill.

The measure would require approval of the \$7 billion project within two months unless Obama declares it is not in the national interest.

The Obama administration said last month it was postponing a decision on the pipeline until after next year's election. Officials said the delay is needed to study routes that avoid environmentally sensitive areas of Nebraska.

The 1,700-mile pipeline would carry oil from western Canada to refineries in Texas, passing through Montana, South Dakota, Nebraska, Kansas and Oklahoma.

The project's developer, Calgary-based TransCanada, says the pipeline could create as many as 20,000 jobs, including 13,000 during construction and 7,000 manufacturing jobs.

Opponents call those figures wildly inflated and say the project could create as few as 2,500 construction jobs and fewer than 1,000 permanent jobs. The State Department, in an analysis released this summer, said the pipeline would create up to 6,000 jobs during construction, including Keystone employees, contractors and construction and environmental inspection staff.

The State Department has authority over the project because it crosses an international border.

The administration warned on Monday that congressional interference in the approval process would likely lead to a rejection of the pipeline.

Republicans said such threats ignored reality.

"Canada is going to develop this no matter what, and that oil is either going to come — a million barrels a day — to the United States, or it's going to go to a place like China. We want it here," said Rep. Fred Upton, R-Mich., chairman of the House Energy and Commerce Committee.

Democrats said the pipeline provision did not belong in the bill. Among other provisions, the bill would extend benefits for the long-term unemployed.

"To hold the American people that are suffering hostage is just plain wrong," said Rep. Charles Rangel, D-N.Y.

House Minority Leader Nancy Pelosi, D-Calif., acknowledged that some in her party support the pipeline but said the pipeline provision should be separated from the payroll tax cut and unemployment extension.

"They are using the pipeline as a smokescreen and an excuse," Pelosi said of House Republicans.

Obama's veto threat seemed to increase conservative support for the overall measure, with Republicans hoping to use Obama's opposition to portray him as favoring environmentalists over jobs.

Rep. Lee Terry, R-Neb., called the Keystone XL project crucial to getting thousands of people back to work.

"This is an important jobs and energy security bill which just makes plain sense," said Terry. "The American people want us to stop buying Venezuelan oil. The Keystone pipeline is a key component to making that happen."

Environmental groups, who celebrated the administration's announcement of a delay in the Keystone project last month, accused Republicans of forcing a premature judgment on the pipeline in order to curry favor with the oil industry.

"Leaders of both parties say Americans need this tax cut," said Scott Slesinger, legislative director of the Natural Resources Defense Council. "What we don't need is more pollution, more health problems and more environmental problems. And that's exactly what House Republican leaders just gave us," he added, referring to the pipeline provision and amendments related to the environment.

Slesinger and other critics called the House vote a waste of time, given Obama's veto threat and a statement by Senate Majority Leader Harry Reid, D-Nev., that the Keystone provision will not pass the Democratic-controlled Senate.

The State Department decided last month to delay the project until 2013, to allow the project's developer to figure out a way around Nebraska's Sandhills, an ecologically sensitive region that includes an aquifer that supplies water to eight states.

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